

STATE OF WISCONSIN  
BEFORE THE ARBITRATOR

*	*	*	*	*	*	*	*	*	*
*	In the Matter of the Petition of								*
*	THE ROTHSCCHILD - SCHOFIELD								*
*	EDUCATION ASSOCIATION								*
*	To Initiate Mediation - Arbitration								*
*	Between Said Petitioner and								*
*	THE D.C. EVEREST SCHOOL DISTRICT								*
*	*	*	*	*	*	*	*	*	*

Case XXV  
No. 31991  
MED/ARB 2383  
Decision No. 21027-A

I. APPEARANCES

Thomas J. Coffey, Executive Director, Central Wisconsin  
Uniserv Council - North, on behalf of the Association

Gary M. Ruesch, Attorney, Mulcahy & Wherry, S.C. on behalf  
of the District

II. BACKGROUND

The Association and the District are currently parties to a three year labor agreement covering the school years 1981-82, 1982-83 and 1983-84. On March 15, 1983, pursuant to Article 37(c) which provided for a re-opener, the parties exchanged their initial proposals. Subsequently the Wisconsin Employment Relations Commission ordered the parties to select a Mediator/Arbitrator to assist them in resolving their dispute. The undersigned was selected by the parties and was appointed by the Commission on October 17, 1983.

The parties met with the Mediator/Arbitrator on January 3, 1983, in an effort to resolve the dispute through mediation. Those efforts were unsuccessful. The Mediator/Arbitrator then served notice of his intent to resolve the dispute by final and binding arbitration. The parties waived their respective rights to written notice of such intent and their right to withdraw their final offer as extended by Section 111.70 (4) (cm) Wis. Statutes.

An arbitration hearing was conducted on February 14, 1984, at which testimony and written evidence was received. The parties agreed to submit post hearing briefs which were due March 23, 1983. The exchange of briefs was completed March 27, 1983. Based on a review of the evidence, the arguments and criteria set forth in Section 111.70 (4) (cm), Wis. Stats. the Mediator/Arbitrator renders the following award.

III. FINAL OFFERS AND ISSUES

The only difference in the final offers was salary schedule for 1983-84. A review of the salary schedule offers reveals not only economic differences but a structural difference. The District proposes a split schedule, one for each semester. The Association proposes one schedule for the entire year. The offers compare as follows at the following benchmarks relative to the 1982-83 schedule:

Table #1

	<u>District</u>		<u>Association</u>
	<u>1982-83</u>	<u>1st Sem.</u>	<u>2nd Sem.</u>
BA MIN	13,570	14,000	14,400
BA MAX	21,012	21,678	22,297
MA MIN	14,927	15,400	15,840
MA MAX	24,229	24,997	25,711
SCHEDULE	25,315	26,117	26,863

The following reflects a reasonably accurate cost analysis of the final offers as a percentage increase over the 1982-83 cost incurred by the District. The wages-only portion was based on a 'staff moved forward' basis comparing the District wage bill in 1982-83 to 1983-84. This represents the increase in total wage payments to teachers as a whole on the 'staff moved forward' basis and is not calculated using year end rates. The total package portion includes increases in Health/Medical Insurance, Dental Insurance, Life Insurance, Long Term Disability STRS and Social Security.

	<u>Wages Only</u>	<u>Total Package</u>
District	6.70%	7.68%
Union	8.40%	9.28%

There is a disagreement as well, whether, for the purpose of benchmark analysis, the Board's year end salary schedule should be used or whether an average of the two should be used as the Association suggests.

#### IV. ARGUMENTS BY THE ASSOCIATION

##### A. Comparable Districts

The Association first argues the School District of Wausau must be given a priority ranking as a comparable. They recognize that Arbitrator Christenson in a previous Arbitration decision involving the same parties, D.C. Everest Area School District (Decision No. 26050, 2/81), held Wausau should not be so considered. They suggest this was not a result of a rejection based on principle but lack of specific evidence. The Association argues the doctrine of stare decisis is not applicable in determining the comparability groups for this case. This is particularly true in their opinion because of specific evidence presented by the Association for this particular case. They contend the Association's argument must be judged on its merits at this time and not on the failure of the Association to present enough specific evidence to convince Arbitrator Christenson in 1980-81.

With respect to the merits of their contentions surrounding Wausau, the Association notes the vast majority of the D. C. Everest School District is part of the Wausau urban area. Its integral nature is supported and documented in a publication called An Economic and Cultural Overview of Marathon County and

the The Wausau Urban Area (SMSA) produced by the North Central Wisconsin Planning Commission. Also, along these line, they submit data that shows that the vast majority of the District's students are from the Wausau urban areas of Weston, Rothschild, Schofield and Kronenwetter. They also make reference to another study showing the future possibility of one high school for the entire area by the year 2000. They suggest such commonality underscores the special status of the comparability of two school districts, whose boundary lines are artificial governmental subdivisions, in the same Wausau urban area.

The Association also notes the similarity in income level (mean family income) between Wausau and the town of Weston and the village of Rothschild which comprise a significant portion of the District. In fact, they are slightly higher in Weston and Rothschild. Although differences exist between Wausau and D. C. Everest, with respect to enrollments, F.T.E.'s, levy rates, state aid per pupil and cost per pupil, they submit these commonly-used criteria are sufficiently similar to lend further credence to the Association's reliance on Wausau as a priority comparable.

The Association also believes that other Arbitrators have given primary weight to a single comparable in an urban area. They cite Arbitrator Kerkman in Kimberly Area School District (Dec. No. 18246-A 6/3/81) and Arbitrator Mueller in Menasha Joint School District (Dec. No. 17966-A 12/9/80).

With respect to comparable groupings, the Association has also chosen a specific, limited statewide group of comparables to give further guidance to the Arbitrator. The Association recognizes that rather extensive arbitral dicta have rejected the value of statewide comparables when area comparables seem adequate. The Association, however, has attempted to meet previous objections by including the FTE, Levy Rate, equalized evaluation, state aid per pupil, cost per pupil, and ADM for the selected districts. Certainly D. C. Everest is in the average range for these factors in that grouping. The Association believes, because of the urban nature of the D. C. Everest District and the possibility of a "close call" on the issue in dispute, that a proper weighting for those comparables is consistent with the criteria of the Mediation/Arbitration law.

The Association also relies on the Athletic Conference as a comparable group. They recognize that this comparability group has been given much value by many Arbitrators. The Association recognizes the relevance of these comparables. However, they contend the relevance of the grouping must be diminished by the fact that the D. C. Everest District is an integral part of the Wausau area.

## B. Salary Schedule

Regarding the issue of salary schedule, the Association believes their offer to be more reasonable when compared to the wage relationship in Wausau, the Athletic Conference Schools, and similar size schools in the state. It is noted by the Arbitrator that all the Association's analytical comparisons are based on an average of the District's split schedule.

With respect to Wausau they present an exhibit using the five traditional benchmarks (BA MIN, BA MAX, MA MIN, MA MAX and Schedule MAX) which compares the historical differences in the benchmarks between D. C. Everest over an 11-year period (1972-73 through 1982-83). They also present a chart using the same benchmarks comparing the dollar increases and percentage increases in

each district from 1980-81 to 1983-84 including the final offers. They believe this data unequivocally supports the fact the Association's offer is more reasonable and in line with commonly used measures of acceptability.

With respect to wage comparisons to other Athletic Conference Schools, the Association believes their offer is more reasonable. Their comparisons in this regard are with the five Wisconsin Valley Schools which have settled contracts for 1983-84. They are Wisconsin Rapids, Wausau, Merrill, Antigo, and Rhinelander. They compare the historical dollar difference since 1979 between the District and the average of the settled schools at the traditional benchmarks. They believe this shows the deteriorating effect of the District's offer on the wage rates. They also present a chart showing the historical dollar differences in the seven other Athletic Conference Schools since 1979 showing the resultant dollar difference if (1) the Board offer was accepted in the instant case and the Board's offers were accepted in all other unsettled schools (2) the Association offer was accepted in the instant case and the Association's offers were accepted in all unsettled schools (3) the Association offer was accepted in the instant case and Board offers were accepted in the other schools and (4) if the Board offer was accepted in the instant case and the Association offers accepted in the unsettled schools.

The Association also provided an even further comparison within the Conference. They present a comparison of the average dollar increases and percentage increases in the Athletic Conference to that in the District since 1980-81. They believe these charts establish that the Association has the most reasonable wage offer whether measured by relationship to average, by relationship to dollar increases, or by relationship to percentage increases. They suggest this explains the District's omission of a historical study of the wage rate relationships in their exhibits.

The Association also presented statistical analysis involving their third comparable group, i.e., statewide comparables. When the offers are compared to the differences against the average dollar differences and the average dollar increases at the benchmarks, the Association believes that the Board's position represents a deterioration and that the Association's position is more consistent with this comparable group.

In terms of historical rank, the Association contends that its offer not only maintains its rank with Wausau, but it also basically maintains their rank in the Athletic Conference. This is true even assuming Board offers are accepted in Marshfield and Stevens Point. The only improvement is at the MA Maximum rate. This improvement of one rank results in a rank of only 4 of 8 which was a rank previously held by the District. Thus, the average to below average rankings of the Association's offer is more support for its reasonableness. The substantially below average ranking in the similar size school category and its maintenance of similar ranking is supportive of the Association's offer.

The Association next argues that the fact that 110 staff members, the most experienced career teachers, are on the bottom step of the salary schedule is a strong reason for giving great weight to the traditional benchmark arguments in this case. Moreover, they contend the Association's position of 6.3 percent increase on the wage rates is more consistent with the voluntary pattern of settlements than the District's 4.6 percent increase (averaged over the split schedule). All the evidence, even including the Board's final offers in Stevens Point and Marshfield, are supportive of the Association's offer.

The Association believes, too, that their offer is consistent with the interests and welfare of the public as stated in criteria 'C' of the Statute. First, they note the District submits no

evidence that the District does not have the ability to pay the amount required by the Association's offer. In fact, they point to information in Association Exhibit 206 which shows the D.C. Everest District is receiving \$636,804.25 in new state aides for the 1983-84 school year. This is the highest amount in the comparable districts. Moreover, the district presently spends at a per pupil cost below the average for comparable districts. Although the equalized evaluation per member is low, this is balanced by a substantially higher than average state aid per member. The equalized evaluation factor is not meaningful unless viewed in the proper context. Further, D.C. Everest levy rate is near the bottom of the comparables. Very significantly, the income level for most District residents is substantially above average. Thus, most District residents have a distinct advantage of living in a high state aid district with high average income. Based on these objective measures, they assert the interest and welfare of the public cannot be harmed by acceptance of the Association's final offer.

Further in this vein, they mention the teacher work load, in D.C. Everest as measured by the teacher-pupil ratio, is above the state average, above Wausau, and nearly the highest in the Athletic Conference. This dramatizes what they believe to be a lower than average tax payer effort in education.

The Association believes that their offer is more consistent with the public interest when viewed relative to recent commentaries on teacher salaries by experts. For instance, the Association's offer of a \$14,425 beginning wage rate does not approach the recommendation made by the State Superintendent's Task Force on Teaching and Teacher Education which was \$20,000 minimum. They also mention a study, titled "Secondary Education in America", by Ernest L. Boyer. The evidence from the "Boyer" study is consistent with the Department of Public Instruction's recommendations. They quote from part of his recommendations:

"Our society pays for what it values. Unless teacher salaries become more commensurate with those of other professions, teacher status cannot be raised: able students cannot be recruited. Therefore, we urge that, as a national goal, salary averages for teachers be increased by at least 25 percent beyond the rate of inflation over the next three years, with immediate entry-level increases."

The Association also makes a series of arguments against the case put forth by the Employer. First, they argue the District's use of nontraditional benchmarks of BA+6, BA+12, MA+12 is a distorted approach to benchmark comparability. The horizontal lanes are not at the same intervals in all schools in the District's comparability grouping. For example, the District is comparing BA+0 maximum in Wausau to BA+6 Maximum in D.C. Everest. The same type of mismatched comparisons exist for Antigo, Merrill, and Wisconsin Rapids at this benchmark and distants their benchmark arguments.

It is next contended that special circumstances substantially diminish the District's total package argument. The Association argues that the data contained in Association Exhibit 170 is a critical factor in evaluating the District's total package argument. This shows the District's cash contributions are the lowest for the major fringe benefits of health and dental for all schools in two of its comparable groupings except for the isolated incident of single health and dental in Wausau, which is slightly lower. In the Athletic Conference comparability grouping the pattern of D.C. Everest's very low rates is clear. They suggest arbitrators in the past have spoken to the high level of Board's contributions for fringe benefits as a major factor in swinging the case in the

District's favor. The opposite is occurring in this case. The District is attempting to penalize the teachers of D.C. Everest by forcing an \$80,980 insurance increase to unfairly set back the D.C. Everest wage rates. When one removes the \$80,980 from the package costing, using the Board's method, the total package cost of the District's offer is 6.5 percent and of the Association's offer is 8.1 percent. This makes the Association's offer consistent with the Wausau settlement of 7.65 percent and the average of the conference schools settlements of 7.6 percent.

While the Association recognizes the increased cost of the insurance benefits to the District, they suggest the increase must not be decisive in this case. The Association is not using this argument to leap-frog its wage rates in comparison to its comparables but rather to prevent the District's pushing backward its wage rates. In this regard they cite Arbitrators Rice, Fleischli, and R.U. Miller who have all give supporting rationale to the Association's position in Dec. No. 20416-A, 8/83; Dec. No. 20412-A, 9/83; and Dec. No. 20016-A, 8/83 respectively.

Further, with respect to the cost of insurance, the Association notes that D.C. Everest is on the low end of the benefit level with 90 percent contributions for health and dental. Importantly, D.C. Everest also is the only District, except Middleton, that does not pay the 5 percent employee share of retirement for all employees. Also, the District has the right to change insurance carriers, and nothing is on the record that the Association has ever interfered with that right. The fact is inescapable that D.C. Everest has had to spend substantially less for insurance premiums over a period of years. This fact continues for 1983-84. The district must not have the double advantage of low insurance rates and lower than justifiable wage rate increases.

The Association anticipates the District to make argument concerning economic conditions. However, the Association contends the District does not present one scintilla of specific evidence that shows the economic conditions of the D.C. Everest District are uniquely different from comparable school districts that have voluntarily settled for 1983-1984. In fact, evidence establishes that the economic climate in which bargaining for teachers' contracts is occurring has substantially improved, since the multi-year contract was settled in Wausau, the priority comparable. The same observation can be made for Wisconsin Rapids, an Athletic Conference comparable. In fact they contend the much quoted rationale from Arbitrator Gundermann in School District of Cudahy, Dec. No. 19635-A (10/82) can now be used to support an Association's case in a wage dispute. Both the Wausau and Wisconsin Rapids settlements occurred in the worst of economic times. To be consistent with the often used Gundermann dicta, some credit must be given to the improved economic times in evaluating the Association's offer. Further, the Association has presented evidence that proves the improved economic climate does exist.

With respect to any argument the District might make on cost of living, first, they note a varied reaction on the part of the Arbitrators' to the cost of living criteria. Second, the Association believes the District's data is distorted. Lastly, the Association believes that voluntary settlements are a better indication as to the weight to be given to the cost of living.

The Association also attacks the District's split schedule as not conforming with the criteria of the law. They believe the District's idea that the split schedule somehow provides equity must be rejected. The Association recognizes that split wage increases have been used sometimes in some other public or private sector bargaining. Under some circumstances there could be some benefit to a split salary schedule arrived at by free collective bargaining or by mutually similar final offers of the parties.

Such did not occur in this case. Therefore, the commonly accepted arbitral standard requiring "compelling need" to change from the status quo must be shown by the District. Obviously, the District cannot do this. The record establishes that the split schedule concept has never been used in the District. There is also no evidence on the record that the split salary schedule has ever been a practice or even used once in other comparable districts. The Association argues the rightness or wrongness of the split salary schedule is critical in this case. Uniquely, only de minimus difference existed between the second semester wage rates of the parties. Thus, they believe the District readily admits the Association's wage rates are in conformance with the criteria of the law. Thus, the effect of the split schedule is that the District is delaying a reasonable pay raise, particularly for the most experienced teachers, without cause.

The Association contends there is even a more serious problem which results from the use of the split schedule. This is the chilling effect this delayed payment would have on future collective bargaining in D.C. Everest. They acknowledge occasionally a voluntary delay might have some benefit to the parties. But an imposed delay leaves a host of unanswered questions because nothing is on the record explaining what costings or wage rates will be considered as a beginning point for 1984-85 bargaining if the District's offer was adopted. Is the average rate or the ending rate to be used? Such confusion on costing will unnecessarily complicate bargaining for the immediate successor agreement. They believe other key questions exist such as: (1) Is this only to be a one time delay of proper payment? (2) Will the District continue to attempt to rationalize delay of justifiable wage rates in the future by comparing D.C. Everest's ending rates to other district's actual rates?

## V. ARGUMENTS BY THE DISTRICT

### A. Comparable Districts

The Board argues that their selection of comparable districts is preferable based on statutory mandate and case law and that the use of the Wisconsin Valley Athletic Conference and contiguous districts is supported by prior arbitration awards. This includes a total of ten school districts, which comprise the Wisconsin Valley Athletic Conference (i.e. Antigo, D.C. Everest, Marshfield, Merrill, Rhinelander, Wausau, Wisconsin Rapids and Stevens Point) and the remaining contiguous districts (Mosinee and Wittenberg-Birnamwood). The Board maintains these districts are comparable due to their similarity in size and their similarity in ability to pay. In addition to having the support of the statistical indicia of comparability, the use of the Athletic Conference and contiguous districts limits the comparables to the districts that are most similar in geographical, socio-economic, and political factors without restricting the Arbitrator to one select district or an overly broad range of districts.

The District contends next that the Association's primary reliance on Wausau School District is unsupported by the record. Specifically, they make a variety of points in this regard. First, they believe the Association's contentions of Wausau as the primary comparable contradicts the prior award issued in the District and traditional measures of comparability. They note Arbitrator Christenson dealt with the identical situation regarding the applicability of Wausau School District as the primary comparable for D.C. Everest in his prior award. His analysis was the following:

"I conclude that it is inappropriate to use Wausau as the sole primary comparable. There is no doubt that Wausau is

an appropriate district with which to compare the D.C. Everest District. It is contiguous, part of the same metropolitan area, in the same labor market, and shares many other similarities. At the same time it is a much larger district than D.C. Everest in terms of number of pupils and staff size. (Emphasis supplied by District)

They contend traditional standards of comparability are not met with the exclusive Wausau, D.C. Everest comparison. Similarities are not significant in the statistics of FTE, fall average daily membership, equalized valuation per member and levy rate. In addition, there are extreme differences in size and ability to pay between Wausau and D.C. Everest Districts. Further, D.C. Everest is more comparable to the average of the comparable districts proposed by the Board on FTE, fall ADM and equalized valuation than to Wausau alone. The close relationship established between D.C. Everest and the average of the comparable grouping further supports the Board's contention.

Next they argue the history of bargaining between the parties does not indicate exclusive comparability between Wausau and D.C. Everest. A short analysis of historical benchmark increases and average settlements of Wausau and D.C. Everest further discounts the primary association of these two Districts. Even Association exhibits show that the relationship between Wausau and D.C. Everest at the benchmarks is sporadic, and there is a lack of historical settlement consistency between Wausau and D.C. Everest. Nor does the record establish a pattern of similarity that would separate Wausau from the remainder of comparables based on traditional measure of comparability. Moreover, the selection of a comparison group has long run bargaining implications for the parties and should be maintained for the purpose of stability in negotiations. The Board has grounded its choice of comparables on that principle. They cite the undersigned in School District of Neillsville, Dec. No. 20202-A (7/83) wherein he states, "In this case, there is additional support for the Association's group of comparables as they were adopted in a previous arbitration involving the same parties."

The District also suggests that the record supplied by the Association does not justify the exclusivity of Wausau in comparison to other Wisconsin Valley Schools on an economic basis. For instance, the Association's own exhibits point to a wide economic base serving the Wausau area that extends far beyond the D.C. Everest District. These exhibits show the primary trade area for Wausau extends into Marathon, Langlade and Lincoln Counties. A secondary trading area extends further into Forest, Oneida, Price and Vilas Counties. In this regard they cite Arbitrator Richard U. Miller who was presented with a similar economic argument in the School District of Marathon, Dec. No. 18110-A (1/81). They also question the relevancy of the settlement in Wausau based on its timing.

Regarding the use of schools state wide, the District suggests that the Association's utilization of this wide group is unnecessary and without value. They cite Arbitrator Imes in Iowa Grant School District, Dec. No. 19653-A (4/83).

#### B. Salary Schedule

The first argument put forth by the Employer on salary schedule is that the selection of the Board's final offer is mandated by a review of total package settlements in the comparable school districts. As support for this approach, they note in general other Arbitrators' that support the use of total package settlement analyses. They again make reference to Arbitrator



Christenson, in D.C. Everest School District, and numerous other arbitrators who have stressed the significance of total package comparisons which include wages and fringe benefits. In the instant case, however, total package settlement comparisons are particularly relevant because of the "split" salary structure proposed by the Board and the inadequacies of a benchmark only analysis. They note, too, that Arbitrator Christenson placed significant weight on the pattern of settlements when he stated:

"Surely one of the most important of those factors is the pattern of settlement among comparable employers. Such settlements are often not available at the time of bargaining and sometimes not at the time of the arbitration award. But when a pattern has been established, it is impossible to ignore and often well nigh conclusive."

He also stated:

"Principally on the ground that it is more consistent with comparable settlements I conclude that the Board's final offer is more reasonable."

They also cite Arbitrator Yaffe in Waukesha County Technical Institute, Dec. No. 19868-A (5/83)

In terms of an actual comparison of the 1983-1984 total package settlements to the final offers, the Board feels their offer is more reasonable. They draw attention to their exhibits which show the total package settlements among the comparable districts range from a low of 6.9% to a high of 8.08%. In sharp contrast, the Association's final offer is 9.28% or \$2,370 average per teacher increase. They present the following list of total package settlements:

Antigo	8.08%
Merrill	7.91%
Rhineland	6.90%
Wausau	7.65%
Wisconsin Rapids	7.53%
Mosinee	7.93%

They note, then, that the Board's offer of 7.53% falls within these parameters, whereas, the Association's 9.28% is well above the highest settlement.

The District, as did the Association, does an analysis making certain assumptions about potential settlements in the unsettled districts. They compare the parties' total package final offers with the average of the other districts in the Conference assuming the Board offers would prevail in the unsettled districts and also assuming the Association would prevail in the unsettled districts. The Board's final offer is a mere .02% or .27% away from the average of the Conference and \$126 to \$193 from the average teacher employee increase. Whereas, the Association far exceeds the average by 1.33% to 1.62% or \$217 to \$284 per teacher.

The District also presents an historical analysis of total package settlements which they believe supports their offer. They contend the voluntary negotiated settlement at D.C. Everest in 1981-82 and 1982-83 generously matched or exceeded the average settlements among the comparable school districts. In terms of 1983-1984 they believe there is clearly no support for an increase of 9.28% total package when comparable settlements average between 7.66% and 7.95% for 1983-84. Furthermore, D.C. Everest has been comparable to the average settlements in the past two years and would continue to be comparable with the acceptance of the Board's position. The acceptance of the Association's proposal would move D.C. Everest out of the realm of rationality in their opinion.

With respect to the cost of living criteria, the Board asserts their final offer guarantees that the D.C. Everest teachers will receive wage and benefit increases that exceed the increase in the cost of living. For instance, if the Board's wage offer for the first semester was in existence for the full year, the wage only increase would equal approximately half of the "annualized" increase of the Board's final offer (6.7%) or approximately 3.3% which is the precise rate of inflation from December, 1982 to December, 1983. The additional salary provided during the second semester represents additional dollars over and above the inflation rate. The Board's total package offer of 7.68% significantly exceeds the rate of inflation. Conversely, none of the economic indicators cited support the Association's wage increase (8.4%) or a total package increase (9.28%) which is almost three times the current rate of inflation. They also see support for their final offer in a historical comparison to the Consumer Price Index.

The Board contends next that their Offer is more reasonable based on wage increases in comparable districts. In support of their use of year end rates, the District mentions numerous arbitrators have recognized the merit of wage comparisons wherein the actual "lift" accomplished as a result of a salary schedule is the appropriate comparison point. They cite Arbitrator Stern in City of Manitowoc (Wastewater Treatment Plant), Dec. No. 17643-A (1/81) and Arbitrator Byron Yaffe in Richmond Elementary School Joint District No. 2 Lisbon-Pewaukee, Dec. No. 18176 (5/81). The District believes, too, that year end salaries not only provide the basis from which future comparisons are made but fold in a hidden cost to the District in the following year. They cite Arbitrators Haferbecker in Vernon County (Courthouse & Social Services Unit), Dec. No. 19843-A (11/82) and Gundermann in Winnebago County (Sheriff's Department), Dec. No. 19378-A (7/82). Based on these citations they suggest the impact of a split structured increase, recognized by many arbitrators, is ignored in the Association's benchmark analysis. Thus, the value of the Association's benchmark analysis is minimized.

In reference to the Association's benchmark analysis, the District believes these comparisons do not necessarily correspond to actual salaries of Teachers in the District. The benchmarks utilized by the Association include BA MIN, BA MAX, MA MIN, MA MAX and Schedule MAX. These traditional benchmark positions represent only 7.93% of the total full time equivalency in 1982-1983 and 5.14% of the 1983-84 FTE. Since money is allocated differently across the schedule of the District and comparable districts, this small representation of teachers cannot nearly reflect the increases received in the District in comparison to comparable districts.

On the other hand they believe an analysis of the Board's benchmark position vis-a-vis the comparable districts demonstrates the reasonableness of the Board's final offer. The Board includes the positions of BA+6, BA+12, MA+6, MA+12, in their benchmark analysis on the basis that they represent a significant portion of teachers on the schedule. For instance, 63 additional teachers or 23% of FTE are represented by these positions in 1983-84. They submit a chart which demonstrates that the District's identical ranking is maintained at the BA MIN, BA MAX, BA+6 MAX, BA+12 MAX and MA MIN. Moreover, the District advances one rank at the positions of MA MAX, MA+6 MAX, MA+12 MAX and Schedule MAX. Even at the average, the Board's position substantially maintains the District's 1982-83 ranking among comparable districts at these positions. The reasonableness of the Board's position is evident based on the significant maintenance and improvement of rank at relevant benchmark positions. The "lift" improves the competitive salary schedule position of the District, providing an outstanding position for future bargaining, in spite of a substantial health and insurance increase.

They also present two charts which show that the year end dollar and percent increases on the benchmarks generated by the Board's final offer far exceed the averages of the settled districts. They contend only the benchmark increases at Stevens Point, which is a comparison which is tenuous at best because of the lack of a traditional salary schedule, would exceed those proposed by the Board in the instant case. Further they contend an analysis of the relationship of the District to the benchmark averages of the comparables affirms the superior position of the Board. The Board's proposal increases the benchmarks by mid-year to levels which exceed the comparable District's benchmark averages further than in 1982-83. They submit a chart which compares the districts relationship to the average in 1982-83, to the District's relationship to the average in 1983-84, using the Board's final offer. Assuming the Board prevails or the Union prevails in the unsettled districts, D.C. Everest moves further away from the average in 1983-84 enhancing their leadership position. Conclusively, the structure of the Board's final offer is advantageous to the improvement of the salary schedule. Benchmark dollar and percent increases generated under the Board's final offer are superior among the comparables. The Board's position not only provides generous 1983-84 benchmark increases, but puts the D.C. Everest teachers in an outstanding position for future bargaining in light of the comparable districts.

In terms of an analysis of 1983-84 dollar and percent increases negotiated in the comparable districts, they believe they, too, demonstrate the reasonableness of the Board's position. The Board's final offer proposes to increase wages by an average 6.7% or an average teacher increase of \$1,342 in 1983-84, while the Association's final offer is 8.4% or \$1,681 average increase. The wages only cost of the Association's final offer exceeds the average of the 1983-84 Conference districts from .98% to 1.27% on wages, depending on the outcome of the Stevens Point and Marshfield arbitrations. This compares to a potential difference of .43% to .72% from the average secured by the Board's final offer. In addition, the voluntary settlements as compared to the parties wages only increases are as follows:

	<u>Average: 7.25%/\$1,527</u>
Board	.55%/\$185
Association	1.15%/\$154

Although they note the wage dollar increase generated by each offer is misleading and less important when the fringe benefits increase is included.

The District puts forth an argument in connection with the criteria relating to the interest and welfare of the public. They believe the structure of the Board's final offer provides a fine balance of the general public interest with the interests of the community. Noting that the Board formulated their final offer to provide for a "split increase" midway through the contract year, they believe this allows the District's teacher to occupy a more competitive salary schedule position while maintaining a comparable total compensation. The significant increase in insurance costs (22% on the single and family premium or \$12.89 and \$33.53 per month respectively) in 1983-84 experienced by the District mandated the need for a lower wage increase. The split schedule structure is the most appropriate method of providing moderate wage increases with comparable total package costs, while maintaining a competitive salary schedule position. To this end, the Board's offer best meets the teachers' interests and the citizen and taxpayers' interest of the community.

In addition the District believes restraint in increases are necessary in times of high unemployment and economic uncertainty. They note, too, that a growing number of Arbitrators have recognized the significant impact that the poor economy has on the level of public sector settlements. Further, in this connection, they make mention of the fact that a review of the duration clauses of the comparable districts indicates that the districts that have not yet settled for 1983-84 are all coming off of multi-year agreements. The Districts of Marshfield, D.C. Everest, and Stevens Point had two-year agreements for 1981-82 and 1982-83 prior to the worst economic recession our nation has seen since the Depression. With one of the highest wage and total package increases in the Conference, D.C. Everest teachers clearly did not feel effects of the recession during the 1982-83 contract year as did the teachers of the remainder of the Conference districts who settled their contracts during the height of the economic turbulence. Relative to 1983-84 and the poor economy in the state of Wisconsin and Marathon County, they do not believe the Association's final offer, which is the highest wage and benefit increase in the comparables, is justified.

As a matter of rebuttal, they acknowledge the Association's attempt to establish that their excessive wage and benefit offer can somehow be justified on the basis of very recently released reports and articles on the quality of education in America and the teaching profession. Since these reports address a host of factors including the quality of teacher preparation, continuing education for teachers, length of the school year, content of the course and curriculum, as well as minimum competency standards, all factors must be addressed in total before any meaningful change can occur in the overall teacher compensation structure. The Board suggests that any conclusive application of the results of these studies would be better placed in the bargaining between the parties for new successor Agreement rather than in the award to resolve the instant impasse.

Relative to other public sector employees, the District believes their offer is more reasonable. They mention that the voluntary two year settlements reached in Marathon County were 5% for 1984 and 5% for 1985 compared to the Board's 1983-84 wages only offer of 6.7% which exceeds the 1983 and 1984 wage settlements by 1.7%. The Association's wage demand of 8.4% for 1983-1984 is significantly higher and is unwarranted in light of these settlements. They also mention the wage freeze for Wisconsin state employees and the zero increase for University of Wisconsin faculty.

## VI. DISCUSSION AND OPINION

### A. Comparable Districts

The primary dispute here revolves around the weight to be given to the settlement involving the School District of Wausau. First, the instant Arbitrator agrees that Arbitrator Christenson's decision in a previous arbitration award involving the parties should not per se be binding on this Arbitrator. Not only could different evidence be presented here that was not presented to Arbitrator Christenson, but factors of comparability can change over a period of time.

Based on the merits and the evidence contained in this record, it is this Arbitrator's conclusion that Wausau should not be given anymore weight than other Athletic Conference schools and further, that the Athletic Conference should be the primary comparability.

The main factor in the non-comparability of D.C. Everest and Wausau School District is their size. The average daily membership in the Wausau District is 2,737 students or approximately 58% more than D.C. Everest (7,408 vs. 4,671). D.C. Everest is much

closer than the average daily membership in the Athletic Conference of 4,156. Full-time teacher equivalency in Wausau is also much greater than D.C. Everest. The FTE of Wausau is 164.05 or approximately 60% greater than D.C. Everest's full-time equivalency (435 vs. 271). Compared to the average in the Athletic Conference, D.C. Everest, again, is much closer to the average than Wausau. The average FTE in the Athletic Conference is 244. There is also a noteworthy difference in equalized evaluation between D.C. Everest and Wausau. This data convinced the Arbitrator that, if sufficient data is available, the Athletic Conference, as a whole, should be the primary comparable. D.C. Everest is much more comparable to the Athletic Conference in general than the Wausau School District. The dissimilarities between Wausau and D.C. Everest and the greater similarities between D.C. Everest and the Athletic Conference tend to outweigh the many shared and similar economic factors relied on by the Association to establish their case for comparability.

In summary, on the comparability issue, while Wausau and D.C. Everest School Districts are similar, they are not so similar that Wausau should be given special weight. The proper and proximate weight is given to Wausau as a result of its inclusion in the primary comparability group, i.e. the Athletic Conference. The Arbitrator might agree that it would be instructive to take a closer look at Wausau if analysis and comparison of the final offers to the primary comparability group shows no preference for either offer.

#### B. Salary Schedules

The respective parties analytical approach to the final offers is as different as the final offers themselves. This is a result in part due to the fact that the District has a final offer which proposes a split salary schedule based on the semesters and the Association's does not.

Generally speaking, the District's statistical approach to analyzing the wage data is to key on the year end rates and to emphasize the total increase in total compensation cost including increases in insurance cost. The Association, on the other hand, in their benchmark analysis, doesn't utilize the year end rates. They average the ending rates for each semester under the Board's offer. This approach keys on the actual dollars received at each benchmark as opposed to the ending rates. They also diminish the impact of increased insurance costs as reflected in the total package comparisons.

In the context of this particular case, neither approach is more valuable than the other in its ability to shed a balanced light on the final offers. Moreover, both approaches standing alone result in distorted views. The Association's singular emphasis on average benchmarks ignores the recognized value of the "lift" that results from ending rates on a split schedule. On the other hand, looking at only year end rates, as the District does, gives a distorted view. This is because it ignores the actual dollars received by the teachers, which due to the split schedule, will be lessened.

It is the Arbitrator's opinion that both approaches must be considered when viewing the possible initiation of a split schedule. The initiation of a split schedule must viewed in light of its purpose. Under a split schedule a distinction must be drawn between the dollars actually received and the dollar increases on the wage schedule or wage rates. A split schedule must not only be viewed from the perspective of the actual dollars received, but also in terms of the increase in the wage rates for future bargaining. A split schedule generally tries to balance two things: (1) the impact of actual wage increases and (2) the need

for wage rate increases. Thus, one must look at both the actual increases received, which includes increases in wages and benefits in combination with the year end rates. Therefore, an important question is which offer balances (1) the need for comparable increases in actual wages received and (2) the need for comparable wage rates for the future and (3) the cost impact of wage and benefit increases.

In consideration of the evidence and the data, it is first quite noteworthy that the differences in the year end wage rates are not significant. At the BA MIN the difference is only \$25/year, at the BA MA it is only \$38/year, at the MA MIN only \$28/year, at the MA MAX only \$45/year, and at the Scheduled MAX it is only \$71/year. Thus, the appropriateness or reasonableness of either offer on strictly a year end basis, is nearly in equilibrium. There simply is no clear and strong preference for either offer viewed on this basis alone.

The real difference in the offers is in the actual dollars received because of the lower level of the District's first semester salary schedule. The District generally asserts the lower dollar increases received under their split schedule are justified because the higher year end rates address the teacher's concern for higher comparable wage rates. It is also justified in their view because, when considered in combination with fringe benefit increases, the Association's offer results in the highest total package/compensation increase in the Athletic Conference.

With respect to total package comparisons, the Arbitrator has given careful attention to the District's assertions. However, on this point the Arbitrator agrees with the Association that the weight to be given to the total package perspective should be diminished in this case. While it is true that the Association's total package offer would result in the highest total package increase in the Conference, a more detailed examination is necessary.

A closer examination of the facts reveal that the District has experienced greater relative increases in medical insurance costs for the 1983-84 school year than any other Athletic Conference School on the average. This would tend to make a comparable wage offer exceed the average total package settlement. The average percentage increase in combined medical and dental insurance premiums in the Conference was 13.7% for the family premium and 12.8% for the single premium. The D.C. Everest District experienced a 22% increase in premiums for family and single. In the settled schools, benefits increases (including insurance) accounted for .36% of the averaged total package. The average total package increase in the Athletic Conference was 7.614%, and the average wages only settlement was only 7.254%. Whereas under the District's offer, increases in benefits accounted for .98% of the total package (7.68% total package vs. 6.7% for wages only). The Association's offer cost out at 9.28% for total package vs. 8.4% for wages only. These figures show that just the increases in medical insurance result in a benefit only increase of more than 1/2% in D.C. Everest under either offer compared to the average settlement.

The District argues, and generally speaking this Arbitrator agrees, that benefit cost must be considered. However, under the unique circumstances of this case, the weight to be given to the total package perspective here is to be diminished for a variety of reasons. First of all, while the District received higher increases in combined medical and dental premiums, their actual dollar cost increase was not significantly higher than the average, and second, their contribution levels are still--even at a 22% increase in medical and dental premiums for 1983-84--the lowest for family premiums and next to lowest for single premiums.

Moreover, the District has traditionally enjoyed relatively low premiums. The following data illustrates these points:

Table #2

THREE-YEAR COMPARISON OF BOARD SHARE OF COMBINED  
HEALTH AND DENTAL PREMIUMS BETWEEN  
D.C. EVEREST AND THE ATHLETIC CONFERENCE AVERAGE\*

Athletic Conference					
	1981-82	1982-83	1983-84	1982-83 TO 1983-84 Increase Dollars/Percentage	
FAMILY	\$142	\$167	\$190	+ \$23	13.7%
SINGLE	58	70	79	+ \$ 9	12.8%

D.C. Everest					
	1981-82	1982-83	1983-84	1982-83 TO 1983-84 Increase Dollars/Percentage	
FAMILY	\$112	\$129	\$157	+ \$28	22%
SINGLE	40	49	61	+ 11	22%

\*Table generated from data found in Association Exhibit #170. Where two premium options are expressed, the lower of the two was utilized.

This data indicates that the District's actual dollar increase for combined health and dental premiums for family and single was only approximately \$5 and \$2 more respectively per month than the average. Moreover, and more importantly, their monthly contribution for family premium is still approximately \$33 or 17% less than the average and the single premium is still \$18 per month less or 22% less than the average.

Thus, this data shows the effect of the historically low combined medical and dental premiums in the District in combination with their larger relative increases on the total package comparisons for 1983-84. On strictly a percentage basis, the 1983-84 increase in insurance costs distorts the actual relative benefit levels. For this reason, the weight given the impact of the insurance increase should be lessened.

Up to this point the Arbitrator has analyzed the offers from two perspectives. The year end rates were quite comparable and no clear preference was demonstrated on that basis, although the Association's offer was slightly higher. The offers were also compared on a total package basis relative to the Athletic Conference and no strong inferences or preference--because of the uniqueness of this case--could be drawn from this analysis either. While no clear preference was demonstrated on these perspectives standing alone, they may be the source of some additive weight if further analysis fails to demonstrate a sufficient preference for either offer.

The last facet of comparison, the Arbitrator considers particularly pertinent is a comparison of the actual wages received under each offer. It is clear that this case boils down to one of actual wages received under each offer as opposed to a question

of year end wage rates or a question of total package increases. This is because no clear picture results from a year end analysis or total package analysis. The use of actual wages received for the critical analysis in this case, however, is not to suggest that year end rates are not the appropriate point of focus for benchmark analysis in a contract year following the initiation of a split increase.

The reasonableness of the actual wages received under either offer can be determined by comparison to those wages actually received in comparable districts. The other statutory criteria, such as cost of living, public welfare and interest, and wages received by other public and private sector employees are not viewed to be as indicative or as important criteria in the context of this particular case.

One measure of the actual wages received has been touched upon already. The following indicates the wage only costing of the offers compared to those in the settled Conference schools. These were based on the costing method which would key not on year end rates but consider the actual increase in labor cost to the District, and therefore, be indicative of the actual dollars received by the teachers as an aggregate.

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Table #3

COMPARISON OF WAGE ONLY PACKAGES IN ATHLETIC CONFERENCE  
SCHOOLS VS. THE FINAL OFFERS\*

Antigo	7.57
Rhineland	6.40
Wausau	7.41
Wisconsin Rapids	7.25
Merrill	7.64
	<u>7.254</u>
Board Offer	6.70 (.554 less than average)
Association Offer	8.40 (1.146 more than average)

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\*Derived from Board Exhibit #32A

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Viewed in this vein it is apparent that both offers are off the mark and thus unreasonable. However, the District's offer is less so than the Association's. This analysis favors the District's offer.

Another way of comparing the actual dollars received under each offer is to look at the actual dollar increases received in the comparables at the benchmarks. This averages the District's offer to show actual dollars received, not the year end rates.



Table #4

HISTORICAL COMPARISON OF ACTUAL DOLLAR INCREASES AT THE  
BENCHMARKS BETWEEN THE ATHLETIC CONFERENCE AVERAGE  
AND D.C. EVEREST\*

	BA MIN	BA MAX	MA MIN	MA MAX	SCHED. MAX	BENCHMARK AVG.
1980-81						
Conf. Avg.	852	1429	929	1716	1812	1348
D.C. Ever.	810	1254	891	1938	2002	1379
1981-82						
Conf. Avg.	1008	1623	1079	1907	2127	1549
D.C. Ever.	950	1471	1045	1696	1772	1387
1982-83						
Conf. Avg.	1061	1633	1141	1878	2010	1545
D.C. Ever.	1070	1657	1177	1910	1996	1562
1983-84						
Conf. Avg.	652	1260	631	1368	1225	1027
Assoc. Offer	855/+203	1324/+64	941/+310	1527/+159	1599/+374	1249/+222
Dist. Offer	630/-22	975/-285	693/+62	1125/-243	1175/-50	919/-107

\*Derived from Association Chart IV, Association Exhibits 45-74  
and the final offers

This table shows that the District offer, on an average basis, even though split, is clearly preferable at the MA MIN because it exceeds the average by \$62 whereas the Association's offer exceeds it by over \$300. At the other benchmarks both offers are off the mark, however, at the BA MIN and at the Scheduled MAX the Board's offers is relatively consistent to the average only \$22 and \$50 less per year than the average respectively. The Association's offer, on the other hand, exceeds the average by a much greater amount, i.e. \$203 at the BA MIN and \$374 at the Scheduled MAX. The Association's offer is preferred at the BA MAX for the same basic reason the Board's is preferred at the BA MIN and the Scheduled MAX. It exceeds the average only by \$64 a year while the Board's offer would result in an actual dollar increase of \$285/year less per year than the average. At the MA MAX both offers are off the mark, but the Association's is less so than the Board's. However, overall, based on the average dollar increase at all the benchmarks, the Board's offer is closer to the average. It is shy of the average but by less than half as much as the Association's offer exceeds the average. The average benchmark increase under the Board's offer is \$107 less than the average in the Athletic Conference whereas the Association's is \$222 greater than the average benchmark increase. This tends to favor the District's offer.

The actual percentage increases at the benchmarks show a similar mixed result as does a comparison of the actual dollars received. Both offers are off the mark, but the Board's is slightly less so than the Association's. This, too, slightly favors the Board. This data is indicated below:

Table #5

COMPARISON OF ACTUAL PERCENTAGE INCREASES AT THE  
BENCHMARKS BETWEEN CONFERENCE AVERAGES AND FINAL OFFERS  
FROM 1982-83 TO 1983-84

	BA MIN	BA MAX	MA MIN	MA MAX	SCHED. MAX	BENCHMARK AVG.
Conference	5.02	5.52	4.88	5.46	5.32	5.24
Assoc.	6.3/+128	6.3/+.78	6.3/+1.42	6.3/+.84	6.3/+.98	6.3/+1.06
Dist.	4.6/- .42	4.6/- .92	4.6/- .28	4.6/- .86	4.6/- .72	4.6/- .64

\*Calculated from figures on settled schools only found in Association Exhibits #94-98

After analyzing the final offers based on the increase which will actually result from the schedules the Arbitrator concludes that the Board's offer, although off the mark, is less so than the Association's offer and therefore, preferable.

While the Board hasn't particularly justified the need for the split schedule based on overall insurance cost, their offer is slightly more reasonable when viewed in an analytical framework most favorable to the Association, i.e. actual dollars received based on an averaged schedule. The fact is, even the average increases under the Board's offer are closer to the Athletic Conference average at the traditional benchmarks than the Association's offer. This fact tends to outweigh the potential problematic results of a split schedule.

While the preference for the Board offer is marginal on a wage increase basis, it is given additive weight when the benefit of the "lift" of the split schedule is considered. The following chart indicates that historically wage rates have, with the exception of the Scheduled MAX benchmark, been relatively close to the average in the Athletic Conference. Even under the Board's offer, there will be some noteworthy improvements at all the benchmarks. The data is as follows:

Table #6

HISTORICAL RELATIONSHIP OF D.C. EVEREST TO THE  
CONFERENCE AVERAGE AT THE BENCHMARKS

	BA MIN	BA MAX	MA MIN	MA MAX	SCHED. MAX
1980-81	+10	+100	+ 71	+ 78	-447
1981-82	-52	- 65	- 50	-182	-839
1982-83	-80	+ 15	+125	- 96	-616
Conf. Avg.	14273	22162	15522	22654	27304
Association	14425 (+152)	22336 (+174)	15868 (+346)	25756 (+102)	26914 (-390)
District	14400 (+127)	22297 (+135)	15840 (+318)	25701 (+157)	26863 (-441)

At the BA MIN the relative position of the teachers' wage rates will go from \$20 below the average to \$127 above, at the BA MAX it will move from \$15 above to \$135 above, at the MA MIN the teachers' salaries will move from \$125 above the average to \$318 above the average, the MA MAX will move from \$96 below the average to \$57 above the average, and at the Scheduled MAX, the negative differential would be reduced from \$616 below the average to only \$441 below the average. Also, as a result of the year end rates under the District's offer, being quite close to those under the Association's offer, will result in some relative improvement compared to the Wausau School District.

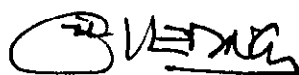
The Association also expressed concern over the District's use of the split schedule and how it would impact on future bargaining. For instance, legitimate questions are raised regarding costing for the following year in addition to the maintenance of the "lift" or continuation of the wage rates. It would be difficult for this Arbitrator to adjudicate questions relating to future bargaining in the context of this case. However, it would not be stepping out of bounds to acknowledge the Board's basic rationale for their split schedule. They propose year end rates which they believe address the teachers' concern relative to other schools and indeed, they were very close to the teachers' proposed rates. Their offer, in this respect, speaks for itself. The reasonableness of a higher relative wage level is evidenced best by the District's final offer itself. All things considered equal, it would be difficult to suggest, based on their pleadings here, that it would not be appropriate to continue the new relative wage levels. The purpose of a "lift" is generally viewed to provide a sustained adjustment to the wage rates, not simply a temporary adjustment for the purpose of a singular bargaining round. If it were only a singular adjustment, there would not be "lift." It would be difficult to argue that in one year the "lift" should be considered a quid pro quo and in the next diminish it by arguing it shouldn't continue before it had a chance to "pay off." It was the benefit of this "lift" that the District argued, among other reasons, made their offer most reasonable.

In summary, the District's offer is preferred, because it results in actual dollar increases marginally closer to the settlement pattern than the Association's. In addition, the preference for the Board offer is strengthened by year end rates very close to the Association's offer, which also result in a greater than average rate adjustment relative to the Athletic Conference.

#### VII. AWARD:

The final offer of the Employer is adopted and will, along with the stipulations of the parties, become part of their current Agreement.

Dated this 13<sup>th</sup> day of June, 1984, at Eau Claire, Wisconsin.



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Gil Vernon, Mediator/Arbitrator